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Message Text

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ACTION NEA-07

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TO SECSTATE WASHDC IMMEDIATE 9364
INFO AMEMBASSY DACCA
AMEMBASSY ISLAMABAD
AMEMBASSY KABUL
AMEMBASSY KATHMANDU
AMEMBASSY LONDON
AMEMBASSY THERAN
AMCONSUL HONG KONG
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS
CINCPAC
USLO PEKING
AMEMBASSY/COLOMBO 2717

C O N F I D E N T I A L SECTION 1 OF 2 NEW DELHI 8181

LIMDIS

E.O. 7"552: GDS-3
TAGS: PGOV, PINTX, PFOR, IN
SUBJ: INDIA POLITICAL SITUATION: CASTING THE ORACLE BONES
REF: STATE 141342

SUMMARY: WE BELIEVE THAT INDIAN POLITICAL EVENTS OVER THE COMING MONTHS WILL PROBABLY FOLLOW A CONSTITUTIONAL COURSE, THAT MRS. GANDHI WILL STEP DOWN AS PRIME MINISTER IF THE SUPREME COURT UPHOLDS THE LOWER COURT DECISION AGAINST HER, BUT THAT SHE WILL WORK TO KEEP AS MUCH POWER AS SHE CAN THROUGH THE CONGRESS PARTY APPARATUS. OTHER LESS CONFIDENTIAL

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LIKELY EVENTUALITIES INVOLVE ASSUMPTIONS OF A BASIC

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CHALLENGE TO THE INDIAN POLITICAL AND CONSTITUTIONAL SYSTEM. WE ARE NOT PREPARED AT THIS TIME TO SPECULATE ON HOW THOSE MIGHT EVOLVE. VIOLENCE AND DISORDER WILL PROBABLY BE LIMITED AND THE MILITARY AND PARAMILITARY APPARATUS ABLE TO CONTROL SUCH DISTURBANCES AS MAY OCCUR. THE OPPOSITION'S OPTIONS ARE LIMITED AND THE OPPOSITION REMAINS DIVIDED. MEASURES SUCH AS GOING TO THE STREETS, MASS CIVIL DISOBEDIENCE, AND HUNGER STRIKES "TO DEATH" BY OPPOSITION LEADERS ARE POSSIBLE BUT ON BALANCE LESS LIKELY. IF THEY OCCUR, THEY COULD LEAD TO UNPREDICTABLE CONSEQUENCES. FOREIGN POPPACY WILL REMAIN ENTIRELY SUBORDINATE TO DOMESTIC CONCERNS AND WILL PROBABLY CONTINUE ALONG MUCH THE SAME COURSE AS AT PRESENT. A SHIFT TOWARD ANTI-PAKISTAN AND ANTI-US RHETORIC AND ACTIONS ARE, HOWEVER, POSSIBLE IF THE PRIME MINISTER FEELS THESE WOULD HELP HER IN HER DOMESTIC TRAVAIL.
END SUMMARY.

1. IN RESPONDING TO THE QUESTIONS IN REFTEL, WE WOULD LIKE TO UNDERLINE OUR BELIEF THAT ALTHOUGH DRAMATIC AND POSSIBLY UNCONSTITUTIONAL RESPONSES TO THE CURRENT POLITICAL "CRISIS" FACING INDIAN POLITICIANS ARE THE MOST TANTALIZING AND PROVOKING TO CONTEMPLATE, OUR OVERALL ASSESSMENT IS THAT THE PRIME MINISTER, HER PARTY, AND THE NATION--INCLUDING THE "OPPOSITION"--WILL ELECT TO FOLLOW THE DULLER BUT MORE STABLE COURSE OF ACCEPTING THE JDGMENT OF THE JUDICIARY AND OF ADHERING TO CONSTITUTIONAL NORMS. IF MRS. GANDHI WERE TO CHOOSE TO CONFRONT THE COURTS AND TO SEEK SUPRA-CONSTITUTIONAL REMEDIES, OR AT LEAST REMEDIES WHICH STRETCHED THE CONSTITUTION TO IMPLAUSIBLE LIMITS, THE ENTIRE POLITICAL SYSTEM OF INDIA WOULD BE GRAVELY TESTED AND WE ARE OURSELVES LOATHE AT THIS TIME TO CAST THE BONES ON SUCH A PROSPECT.

2. WE DO NOT SEE MRS. GANDHI RESIGNING OR BEING FORCED FROM OFFICE BEFORE THE SUPREME COURT DELIVERS ITS DECISION, OR, IF SHE IS VINDICATED BY THE COURT, AFTERWARDS UNLESS CONGRESS IS DEFEATED IN THE POLLS. THERE ARE SIMPLY TOO MANY VARIABLES FOR US TO BE ABLE TO ASSESS PROSPECTS FOR THE NEXT NATIONAL ELECTIONS AT THIS TIME. WE BELIEVE THAT CONFIDENTIAL

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IF THE SUPREME COURT RULES IN FAVOR OF MRS. GANDHI'S APPEAL, SHE MAY CALL A NATIONAL ELECTION QUITE PROMPTLY WITH THE HOPE THAT THE COURT DECISION WILL PROVIDE A FILLIP TO BOTH HER PERSONAL PROSPECTS AND TO THOSE OF CONGRESS. IF CONGRESS WERE TO WIN THE ELECTIONS, IT WOULD ALMOST CERTAINLY BE WITH A SUBSTANTIALLY REDUCED MAJORITY AS COMPARED WITH THE PRESENT LOK SABHA. IF CONGRESS FAILS TO GET A MAJORITY, IT WOULD IN ALL

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EVENTS ALMOST CERTAINLY STILL OBTAIN A PLURALITY. WE ARE RELUCTANT TO SPECULATE VERY FAR ON WHO WOULD FORM A GOVERNMENT UNDER THOSE CIRCUMSTANCES. MRS. GANDHI MIGHT BE ABLE TO FORM A MINORITY OR COALITION GOVERNMENT BUT THERE ARE MANY OTHER POSSIBILITIES AS WELL. IN ANY EVENT, THE NEXT INDIAN GOVERNMENT IS LIKELY TO BE LESS POLITICALLY SECURE IN ITS GRIP ON POWER AND ITS ABILITY TO CONTROL PARLIAMENT AND IMPLEMENT MAJOR SOCIAL AND ECONOMIC REFORMS THAN THE PRESENT ONE. THAT ISN'T SAYING MUCH, WE FEAR.

3. IF ONE THINKS OF INTERNAL INDIAN STABILITY IN TERMS OF PROSPECTS FOR REVOLUTION, "BREAK-AWAY" STATE GOVERNMENTS, OR VIOLENCE ON A WIDESPREAD SCALE, WE DO NOT SEE ANY OF THESE EMERGING, WHETHER MRS. GANDHI STEPS DOWN AFTER AN ADVERSE SUPREME COURT DECISION OR IF SHE IS DEFEATED AT THE POLLS. THE MILITARY AND PARAMILITARY ESTABLISHMENTS WILL REMAIN LOYAL TO THE LEGITIMATING AUTHORITY OF THE STATE, I.E., THE PRESIDENT AND THE PRIME MINISTER ACTING IN ACCORDANCE WITH THE CONSTITUTION. IF THERE WERE TO BE A MAJOR BREACH OF CONSTITUTIONAL GOVERNMENT WHICH WAS GENERALLY RECOGNIZED TO BE SUCH, OUR JUDGMENTS ON THIS ISSUE WOULD BECOME LESS CONFIDENT. BUT IT IS AT THIS POINT, AS WE NOTED IN PARA 1, THAT THE FUNCTIONING OF THE ENTIRE POLITICAL SYSTEM WOULD ALSO COME INTO QUESTION AND OUR ASSESSMENTS BECOME SHEER GUESSWORK RATHER THAN EVIDENTIAL.

4. GOVERNMENT DECISION MAKING ON DOMESTIC ISSUES WILL BE UNEVEN. MRS. GANDHI HERSELF, OR A SUCCESSOR LEADER SHOULD SHE STEP DOWN AS A RESULT OF A SUPREME COURT DECISION, MAY WELL OPT FOR SOME VISUALLY IMPRESSIVE POLICY MEASURES IN THE COMING MONTHS TO ATTRACT POPULAR SUPPORT IN THE ELECTIONS. SOME REPRESENTATIVES OF BIG INDIAN BUSINESS
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HOUSES ARE CONCERNED THAT "POPULIST" MOVES AGAINST THERE INTERESTS AND OPERATIONS COULD BE AMONG THESE, ALTHOUGH THEY RECOGNIZE THAT THE NEED OF THE CONGRESS PARTY FOR ELECTION CONTRIBUTIONS FROM THEIR COFFERS MAY AGAIN SAVE THEM, AS IT HAS IN THE PAST. POPULAR SLOGANS IN FAVOR OF MORE AND CHEAPER CREDIT FOR POOR FARMERS, FOR FIXED MINIMUM WAGES FOR LANDLESS LABOR, FOR PUBLIC HOUSING, ETC., ARE ALREADY BECOMING MORE FREQUENT FROM CONGRESS LEADERS AND MRS. GANDHI IS EMPHASIZING HISTORIC RIGHTEST OPPOSITION TO HER "RADICAL" PROGRAMS. THE MAIN DECISIONS WHICH GET MADE AND TO WHICH ATTENTION WILL BE PAID WILL BE THOSE WHICH HAVE A HIGH POLITICAL VISIBILITY. DECISION MAKING ON STRICTLY LONGER TERM ECONOMIC GROUNDS IS LIKELY TO TAKE A BACK-SEAT.

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TO SECSTATE WASHDC IMMEDIAO 9365
INFO AMEMBASSY DACCA
AMEMBASSY ISLAMABAD
KATHMANDU 7643
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY TEHRAN
AMCONSUL HONG KONG
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS
CINCPAC
USLO PEKING
AMEMBASSY COLOMBO

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LIMDIS

5. DOMESTIC POLITICAL DEVELOPMENTS IN INDIA ARE ALMOST ALWAYS PARAMOUNT OVER FOREIGN POLICY QUESTIONS. THIS WILL BE EVEN MORE TRUE IN THE MONTHS AHEAD. MRS. GANDHI AT THE PRESENT TIME NEEDS THE UNITY OF THE PARTY AND PARTICULARLY OF THE "CENTER." THE "LEFT" HASNOWHERE ELSE TO GO AND WILL SUPPOT HER IN ANY EVENT. SHE WILL THUS PROBABLY CONTINUE TO MAINTAIN A POLICY OF CAUTIOUS IMPROVEMENT OF RELATIONS WITH THE US, SO LONG AS THIS IS POLITICALLY EXPEDIENT; MAINTAIN BUT NOT ELABORATE HERE RELATIONS WITH THE SOVIETS (WHO ARE FRANK IN THEIR SUPPORT FOR INDIRA AND NERVOUS ABOUT WHO MIGHT REPLACE HER); AVOID NEW INITIATIVES TOWARD
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CHINA; AND CONTINUE TO HOLD OPEN THE OPTION OF WAVING THE "BLOODY SHIRT" AGAINST PAKISTAN AS AND WHEN THIS MAY SEEM POLITICALLY EXPEDIENT. LURKING BEHIND THE CONGRESS FLAG ARE NUMEROUS POLITICAL "KNOW-NOTHINGS" WHO WILL EAGERLY JUMP TO ATTACH THE US, CIA, "FOREIGN MONEY" BEHIND THE OPPOSITION, AND "INTERNATIONAL BIG BUSINESS" WHENEVER THESE ARE
UNLEASHED. MRS. GANDHI HAS APPARENTLY BEEN HOLDING THESE BACK, BUT THEY ARE THERE WHENEVER SHE MAY DECIDE HER DOMESTIC POLITICAL SITUATION REQUIRES HER TO LASH OUT AGAINST /THE RIGHT" OR AGAINST "BIG-POWER" (I.E., US) PRESSURE. THIS WOULD OBVIOUSLY COUNTERACT ANY EFFORT TO KEEP INDO-US RELATIONS ON AN EVEN KEEL. IF MRS. GANDHI WERE TO BE COMPELLED TO STEP DOWN AS A RESULT OF AN ADVERSE SUPREME COURT DECISION, IT IS POSSIBLE THAT THE DANGER OF "OUTSIDE PRESSURE," "FOREIGN ENEMIES," AND "BIG POWERS" WOULD BE EXPLOITED BY HER AND HER SUPPORTERS TO PRESSURE HER SUCCESSOR(S) NOT TO SHIFT TOO FAR TO THE "RIGHT", OR TO MOVE SENTIMENT WITHIN CONGRESS TO A SUCCESSOR CLEARLY OF MRS. GANDHI'S OWN CHOOSING. FOREIGN POLICY INITIATIVES WILL IN ANY EVENT PROBABLY BE KEPT TO A MINIMUM IN THE COMING MONTHS AND THE IMMEDIATE AFTERMATH OF A SUCCESSOR GOVERNMENT TO MRS. GANDHI'S.

6. WE HAVE SEVERAL TIMES IN THE PRECEDING PARAS REFERRED TO THE PROSPECTS OF MRS. GANDHI'S STEPPING DOWN FROM THE PRIME MINISTERSHIP SHOULD THE SUPREME COURT UPHOLD THE DECISION AGAINST HER BY THE ALLAHABAD HIGH COURT. THIS IS WHAT WE THINK SHE WOULD DO. OUR IMPRESSION IS THIS IS SHARED BY MOST CONGRESSMEN, DESPITE THE "NATIONAL SOCIALIST" RHETORIC OF THE PARLIAMENTARY CONGRESS PARTY RESOLUTION JUNE 18 (NEW DELHI 8038) AND SUPPORT EVIDENT AMONG

THE PRO-COMMUNISTS ON THE LEFT FRINGE OF THE PARTY FOR A "OCG-PARTY DEMOCRACY." SHE COULD AT THE SAME TIME APPEAL TO THE ELECTION COMMISSIONER TO SET ASIDE, OR DRASTICALLY REDUCE THE PENALTY BARRING HER FROM POLITICAL

OFFICE FOR SIX YEARS. THIS WOULD CARRY STRONG POLITICAL LIABILITIES. SHE MIGHT ALSO SEEK TO HOLD ONTO POLITICAL POWER THROUGH THE CAHNNEL OF THE CONGRESS PARTY
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PRESIDENCY, A POSITION WHICH HAS OCCASIONALLY BEEN USED AS THE "CAT-BIRD SEAT" FOR POLITICAL LEADERS IN THE PAST; FOR

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EXAMPLE UNDER KAMARAJ IN THE MID-1960S.

7. HER SUCCESS IN HOLDING ON TO MUCH OF HER CURRENT POWER WOULD DEPEND IN LARGE PART ON WHO IS HER SUCCESSOR. MRS. GANDHI HERSELF WILL PLAY A MAJOR ROLE IN SELECTING THIS INDIVIDUAL, AND HER ACTIONS COULD DETERMINE WHETHER THE PARTY REMAINS UNITED OR SPLITS AGAIN. HER PREFERENCE WOULD ALMOST CERTAINLY BE FOR A PM RESPONSIVE TO HER GUIDANCE. AGRICLUTURE MINISTER JAGJIVAN RAM WOULD NOT RPT NOT FILL THIS BILL BUT STILL MIGHT BE CHOSEN. THIS WOULD WEAKEN MRS. GANDHI'S POSITION FOR THE FUTURE. WHETHER RAM WOULD BE WILLING TO STEP ASIDE IN FAVOR OF SOMEONE ELSE, WOULD BOLT THE PARTY WITH HIS SUPPORTERS OR ULTIMATELY WOULD AGREE TO SERVE UNDER ANOTHER PRIME MINISTER IF HE WERE REJECTED AS PM WOULD BE A MAJOR DECISION POINT SHOULD THE PLOT DEVELOP IN THIS WAY. THE ONLY OTHER POTENTIAL "STRONG" CANDIDATE WOULD BE FONMIN Y.B. CHAVAN. ASIDE FROM THESE TWO, OTHER POTENTIAL PM'S WOULD BE "WEAK" AND THEIR SELECTION WOULD LEAVE MRS. GANDHI IN A STRONG POSITION TO INFLUENCE PARTY AND GOVT POLICIES PRIOR TO THE ELECTIONS.

8. THE OPPOSITION'S COURSES OF ACTION ARE LIMITED IN NUMBER. IF PARLIAMENT IS NOT RECONVENED THIS SUMMER, THE "OPPOSTION". PARTIES WILL LOSE A MAJOR PUBLIC FORUM FROM WHICH TO ATTACK THE PM AND THE CONGRESS. ONCE THE SUPREME COURT TRIESTHE ALLAHABAD COURT CASE UNDER REVIEW, PUBLIC DISCUSSION AND COMMENT ON THE CASE WILL FALL UNDER SUB JUDICE LIMITATIONS. SOME "OPPOSTION" MAY HAVE TO "GO TO THE STREETS." WHILE POSSIBLE, WE THINK THAT IS A DEAD EFA, IS POLITICALLY DISADVANTAGEOUS, AND IS UNLIKELY TO BE PURSUED WIDELY. OTHER "OPPOSITION" LEADERS HAVE PRIVATELY SUGGESTED THEY MAY TURN TO WIDE-SCALE BUT NON-VIOLENT CIVIL DISOBEDIENCE. THIS WOULD BE MORE OF A PROBLEM FOR MRS. GANDHI, AND IF IT INCLUDED SERIOUS AND DETERMINED HUNGER STRIKES BY PROMENENT OPPOSTIION LEADERS SUCH AS MORARJI DESAI, JAYAPRAKASH NARAYAN, AND ACHARYA KRIPALANI, WOULD FALL INTO THE CATEGORY OF "DRAMATIC" GESTURES WHOSE CONSEQUENCES AND CONFIDENTIAL

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RESULTS ARE EXTREMELY DIFFICULT TO ANTICIPATE IN INDIA. THE "OPPOSITION" IS FRUSTRATED, BUT IT IS ALSO HIGHLY FRACTIONALIZED. COLLECTIVELY NON-CONGRESS CANDIDATES HAVE ALWAYS WON

A MAJORITY OF THE POPULAR VOTE IN NATIONAL ELECTIONS EVER SINCE INDIAN INDEPENDENCE. IF THE "OPPOSITION" PARTIES WERE TO POOL THEIR EFFORTS AND SUPPORT ONE ANOTHER CONSISTENTLY, POLITICS WOULD BE VERY DIFFERENT IN

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INDIA. BUT "OPPOSITION" LEADERS, WHILE PUBLICLY GROPING FOR
UNITY, ARE PRIVATELY LESS SANGUINE.
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